



## GE Energy

**Andrew C. White**  
President and CEO  
Nuclear Energy

PO Box 780  
Wilmington, NC 28402  
USA

T 910 675 6001  
F 910 675 5523  
AndrewC.White@ge.com

July 2, 2007

Mr. Howard G. Borgstrom  
Director, Business Operations Center  
Office of the Chief Financial Officer  
U.S. Department of Energy  
Mailstop CF-60, Room 4A-221  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

**Re: Energy industry comments in response to Notice of Proposed Rulemaking on Loan Guarantees for Projects that Employ Innovative Technologies (RIN 1901-AB21), 72 *Federal Register* 27471 (May 16, 2007)**

Dear Mr. Borgstrom:

I would like to take this opportunity to thank the Department of Energy for inviting comments from stakeholders related to the notice of proposed rule-making on regulations to implement Title XVII of the Energy Policy Act of 2005.

General Electric has provided comments to and endorses those technical comments provided through NEI in their letter response authored by Richard Myers. We have likewise spoken with a variety of groups representing coal gasification, solar, wind and ethanol. We believe these groups' concerns are mirrored in NEI's comments.

Furthermore, in response to direct questioning at the public comment session held at DOE on June 15, 2007, we would offer the following brief remarks:

One question posed referenced their government loan guarantee program's percentage of coverage. GE would note that there are three major loan and loan guarantee programs within the U.S. government which specifically support power projects: the Export-Import Bank of the United States; the Overseas Private Investment Corporation; and the Rural Utilities Service of the U.S. Department of Agriculture.



WORLDWIDE PARTNER

Mr. Howard G. Borgstrom  
Page 2  
July 2, 2007

### **Export-Import Bank of the United States**

U.S. Ex-Im Bank offers a 100% unconditional guarantee of principal and interest. It should be noted that this interpretation by OMB to go from 90% to 100% which was rendered in 1986, led to a tripling of the Bank's volume by 1991. The only Ex-Im Bank loan guarantee program which is set at 90% coverage is reserved for a program where lenders can separately collateralize their 10% and where the lender has delegated authority to commit the Bank directly.

### **Overseas Private Investment Corporation**

The agency's loan guarantee program is also at 100% and has surpassed all other OPIC programs in volume the past three years.

### **Rural Utilities Service**

The USDA program has a loan guarantee program set at 90%; however, the program remains virtually unused. Borrowers prefer to use the RUS direct lending program where the U.S. government assumes 100% of the risk.

The second question revolved around the DOE's ability to use fees to hire outside advisors to evaluate large transactions. In our discussion with Senate staffers who drafted the language of the Title XVII bill, the intention was exactly to allow DOE to use fees collected to pay outside advisors. OMB has broad discretion to interpret the rules to allow this flexibility for DOE as has been done for Ex-Im Bank and OPIC. We believe the legislation as written is sufficient to allow external advisors to be paid by the applicants fees.

GE looks forward to working with DOE toward the successful implementation of the Title XVII program that incorporates many of the suggestions offered in the NOPR comment period. If you feel there is anything that General Electric can do to assist you in anyway, please don't hesitate to contact us.

Regards,

A handwritten signature in black ink, appearing to read 'ACW', is written over the printed name.

Andrew C. White